



A SUBSIDIARY OF: Mitsubishi UFJ Lease & Finance

JSA International U.S. Holdings, LLC
909 Montgomery St. Suite 500
San Francisco, CA 94133
Tel. +1 415 821 8300 / Fax +1 415 821 8350

October 7, 2020

Jimmy Dempsey
Chief Financial Officer
Frontier Airlines, Inc.
4545 Airport Way
Denver, CO 80239

Re: Sale and Leaseback of up to five (5) new Airbus model A320-251N aircraft equipped with LEAP-1A26 Engines

Dear Jimmy,

On behalf of Jackson Square Aviation ("JSA"), we are pleased to present this Letter of Intent which sets out the principal terms on which we are prepared to participate in a sale and leaseback transaction with Frontier Airlines for up to five (5) new **Airbus A320-251N** aircraft. The terms of our proposal shall substantially follow the terms of the precedent sale-leaseback transaction between Lessor (or affiliates of Lessor) and Lessee with respect to the A320-251N aircraft bearing MSN 9180, including (i) the Aircraft Sale and Leaseback Agreement dated 9 September 2019 and (ii) the Aircraft Lease Agreement dated 9 September 2019 (collectively, the "**Precedent Documentation**") and are as follows:

Buyer / Lessor	Bank of Utah, as owner trustee. The obligations of Buyer / Lessor shall be unconditionally guaranteed by JSA International U.S. Holdings, LLC.. For each Aircraft the owner participant and Lessee shall also enter into a participation agreement whereby the owner participant agrees to perform or cause Lessor to perform all of Lessor's obligations under the Lease (as defined below).
Lessee	Frontier Airlines, Inc.
Manager	JSA International U.S. Holdings, LLC
Aircraft	Three (3) firm (the " Firm Aircraft ") and two (2) option (the " Option Aircraft ") new Airbus model A320-251N aircraft, each equipped with two (2) CFMI model LEAP-1A26 engines, together with all relevant aircraft, engine and vendor manuals and technical documents (the " Aircraft "). The Aircraft shall be manufactured and delivered in accordance with the Detailed Specification (referenced in Exhibit A) and Change Notices ("CN") and Buyer Furnished Equipment ("BFE") lists referenced in Exhibit A hereto. Lessee will give Lessor notice of the expected delivery months (which are expected to be in 3Q or 4Q 2021) of the Option Aircraft promptly after they are given to Lessee by Airbus, which is anticipated to be approximately six (6) months prior to the first day of

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	<p>the expected delivery months ("Delivery Month Notice"). Provided Lessee has sent the relevant Delivery Month Notice to Lessor in respect of each Option Aircraft, no later than three (3) months prior to the first day of the delivery month set forth in the Delivery Month Notice, Lessee shall inform Lessor whether or not Lessee wishes Lessor to finance the Option Aircraft by providing irrevocable notice ("Lessee Option Aircraft Notice"). If Lessee does not wish Lessor to finance the Option Aircraft, neither party shall have any further obligations in respect of financing the Option Aircraft. If Lessee does wish Lessor to finance the Option Aircraft, within one (1) week of receiving the Lessee Option Aircraft Notice, Lessor shall inform Lessee whether it agrees to finance each Option Aircraft. If Lessor elects to finance the Option Aircraft, Lessor and Lessee shall promptly enter into Lease documentation for the Option Aircraft on the same terms and conditions as the Firm Aircraft. If Lessor does not elect to finance the Option Aircraft, Lessor shall give Lessee written notice of such election within one (1) week of receiving the Lessee Option Aircraft Notice or Lessor and Lessee shall have no further obligations in respect of financing those Option Aircraft.</p>
Manufacturer	<p>"Manufacturer" shall mean, (i) in the case of the Airframe, Airbus Americas, Inc., (ii) in the case of an Engine, CFM International, Inc. ("CFMI"), and (iii) in the case of the APU, Honeywell International Inc.</p>
Purchase and Delivery Dates	<p>The purchase/delivery closing date of each Firm Aircraft is expected to occur in March 2021 (each an "Anticipated Delivery Date"). The purchase/delivery closing date of the Option Aircraft is expected to occur in 3Q or 4Q of 2021. The actual date of delivery is the "Delivery Date" for an Aircraft.</p>
Aircraft Purchase	<p>On the relevant Delivery Date for an Aircraft, pursuant to an assignment of the purchase contract, Buyer will pay the relevant Purchase Price to Airbus and Lessee will cause Airbus to convey title to the relevant Aircraft to Buyer free and clear of all liens and with a full title guarantee. Immediately thereafter Lessor will deliver the relevant Aircraft to Lessee under the relevant aircraft lease agreement (each, a "Lease").</p>
Purchase Price	<p>[REDACTED] per Aircraft.</p>
Delivery Location	<p>The Airbus delivery facilities in Mobile, Alabama.</p>
Delayed Delivery	<p>As per the Precedent Documentation.</p>
Basic Rent	<p>Basic Rent for an Aircraft shall be paid monthly in advance commencing on the relevant Delivery Date and on the same day in each subsequent month thereafter. The amount of each payment of Basic Rent is based on the assumptions set forth below.</p>



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- [REDACTED]
- Lease Term** The lease term shall be One Hundred and Forty-four (144) months per Aircraft. The last day of the Lease Term shall be the “**Expiry Date**”.
- Security Deposit** Lessee shall pay a cash Security Deposit equal to three (3) months’ Basic Rent per Aircraft. One (1) month’s Basic Rent of the Security Deposit for each Aircraft shall be paid to Lessor within two (2) business days after the execution of the Lease(s). Two (2) month’s Basic Rent of the Security Deposit for each Aircraft shall be paid by Lessee no later than two (2) business days prior to the Delivery Date.
- Provided no Event of Default has occurred or is continuing, the Security Deposit or any portion thereof paid by Lessee shall be returned to Lessee in full without deductions or withholdings within five (5) business days if any of the following events occur:
- (i) either of Lessor or Lessee does not obtain the final approval for this Letter of Intent from its board of directors or other governing body as provided in the “Preconditions” paragraph below; or
 - (ii) any Aircraft becomes a total loss prior to delivery; or
 - (iii) any Aircraft is not delivered within twelve (12) months of the expected month of delivery and Lessee elects to terminate this transaction; or
 - (iv) Lessor terminates its commitment to purchase and lease the Aircraft to Lessee pursuant to the terms of this LOI for any reason other than for Lessee’s breach of this Letter of Intent.
- The Security Deposit shall be reduced to an amount equal to one (1) month’s Basic Rent at any point during the Term subsequent to the twenty-fourth (24th) month of the Term when (i) through (iii) below are satisfied (the “**Security Deposit Reduction**” and such date is the “**Scheduled Reduction Date**”), provided that:
- (i) As of the Scheduled Reduction Date, no Event of Default has occurred;
 - (ii) As of the Scheduled Reduction Date, Lessee shall have maintained a minimum of \$250,000,000 in unrestricted cash and cash equivalents for at least 4 consecutive fiscal quarters; and
 - (iii) Lessee has not requested that Lessor grant Lessee any voluntary Rent deferral under this Agreement or any Other Lease Agreement.

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Upon Lessee's satisfaction of the above requirements for the Security Deposit Reduction, Lessor shall return to Lessee any excess amount pursuant to this Clause within five (5) Business Days after the Scheduled Reduction Date.

Provided, however, that after the return of a portion of the Security Deposit following the Scheduled Reduction Date, should Lessee fail to meet any of the criteria set forth above in (i) - (ii) during the Lease Term, Lessee shall pay Lessor an amount equal to two (2) months' Basic Rent within five (5) days of such event occurring, and the Security Deposit shall be increased once again to three (3) months' Basic Rent ("**Security Deposit Increase**"). For the sake of clarity, following a Security Deposit Increase, there shall be no other reduction of the Security Deposit for the remainder of the Lease Term.

AD Cost Sharing	As per the Precedent Documentation, with exception of Appendix I
Inspection Rights	As per the Precedent Documentation.
Assignment of Maintenance Redelivery Payments	As per the Precedent Documentation, with exception of Appendix I
Maintenance Redelivery Payment Escalation	As per the Precedent Documentation, with exception of Appendix I
Use of Non-OEM Parts & Repairs	As per the Precedent Documentation.
Redelivery Procedures	As per the Precedent Documentation, with exception of Appendix I
Aircraft Records	As per the Precedent Documentation, with the exception of Appendix I.
Aircraft Storage	In the event the Aircraft or Engines are not in service during the term, Lessee shall maintain the Aircraft, Engines and Aircraft Documentation in accordance with OEM instructions. Such maintenance will include, but not be limited to Aircraft and Engines storage and preservation, ordering and installation of, or compliance with, mandatory modifications and Airworthiness Directives as required by the Aviation Authority or Compliance Authority and maintained in accordance with the Maintenance Program.
Engine Health Monitoring	As per the Precedent Documentation.

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Lessor Access to Specified Software and Data	As per the Precedent Documentation.
Manufacturer's Services and Warranties	As per the Precedent Documentation.
Registration	As per the Precedent Documentation.
Subleasing and Possession	As per the Precedent Documentation.
Indemnities	As per the Precedent Documentation.
Insurance	As per the Precedent Documentation.
Payments	As per the Precedent Documentation.
Taxes	As per the Precedent Documentation, provided the Lessee agrees that any import tariff or other duty imposed on the Aircraft constitutes a Tax (as defined in the Precedent Documentation) will be the responsibility of Lessee.
Transfers	As per the Precedent Documentation.
Events of Default	As per the Precedent Documentation.
Documentation	As per the Precedent Documentation.
Governing Law	This Letter of Intent and the Transaction Documents will be governed by the laws of the State of New York.
Cape Town Convention	As per the Precedent Documentation.
Expenses	As per the Precedent Documentation.
Preconditions	<p>The obligations of Buyer/Lessor to complete the transactions contemplated by this Letter of Intent are subject to:</p> <ul style="list-style-type: none"> - completion by Lessor of credit and operational due diligence on Lessee, including review of most recent financial statements and forecast, by November 30, 2020. <p>The obligations of Buyer/Lessor and Lessee to complete the transactions contemplated by this Letter of Intent are subject to:</p> <ul style="list-style-type: none"> - No Event of Default, including being past due beyond any applicable cure period on any obligations, has occurred and is continuing under any lease of a commercial aircraft operated by Lessee with any lessor counterparties, including JSA.

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- Appropriate corporate approvals of Buyer/Lessor and Lessee by November 30, 2020 for the Firm Aircraft. Additional corporate approvals by Lessor will be needed for the Option Aircraft after notice to pursue those financings is agreed;
- Mutually satisfactory Transaction Documents (and all parties undertake to use commercially reasonable efforts to finalize such documents within thirty (30) business days following receipt by Lessee of the initial drafts thereof); and
- Satisfaction of all conditions precedent set forth in the Transaction Documents.

Confidentiality

This Letter of Intent is strictly confidential and must not be revealed by Jackson Square Aviation or Lessee to any person other than those employees, directors, officers, professional advisers, partners and financiers of the parties hereto (as applicable) who are responsible for analyzing, negotiating and approving the transaction and who are made aware of the confidential nature of this Letter of Intent.

Validity

This Letter of Intent is valid until close of business, San Francisco time, on October 14, 2020. Furthermore, this Letter of Intent is a summary of the principal terms and conditions of a proposed transaction but is not intended to create, and shall not create, any binding obligation to negotiate or consummate any transaction. Without limiting the foregoing, and notwithstanding any discussions to date or hereafter, none of the parties will be bound to proceed with any transaction unless and until final documents are signed and delivered on terms satisfactory to each of them in its absolute discretion.

[signatures appear on following page]

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We look forward to further discussions.

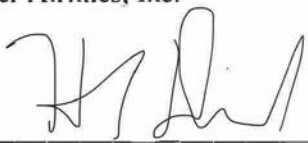
Yours faithfully,

John Yanney



Head of Americas Marketing
JSA International U.S. Holdings, LLC

Accepted and agreed this day of October, 2020
Frontier Airlines, Inc.


By: _____

Name: Howard Diamond

Title: SVP, General Counsel & Secretary

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EXHIBIT A

AIRCRAFT SPECIFICATION

Aircraft Type	Engines Type	Maximum Take-off Weight (tonnes)	Maximum Landing Weight (tonnes)	Maximum Zero Fuel Weight (tonnes)
A320-251N	CFMI LEAP-1A26	77.0	67.4	64.3

Detailed Specification Number

List of Change Notices (SCN's)

As per Precedent Documentation.

List of Buyer Furnished Equipment (BFE)

As per Precedent Documentation, except the cabin seats shall be Recaro seats instead of Acro seats.

LOPA

As per Precedent Documentation.

Appendix I

Referencing the Aircraft Lease Agreement dated 9 September 2019 between Lessor and Lessee with respect to MSN 9180, Articles 12 (a) & 12 (e) of Schedule 3 shall be revised as follows:

Airframe: The Airframe shall be returned to Lessor fresh out of Lessee's next due C-Check inclusive of all lower level multiple maintenance checks ('A' checks and lesser checks) and inspections in accordance with the Lessee's Approved Maintenance Program, all performed by an **Approved Maintenance Performer**, with not less than 24 calendar months of operation remaining.

And Schedule 3 Article 12 (d) (ii) shall be revised as follows:

Landing Gear: Each Landing Gear shall be cleared for Lessee's next due C-Check interval in force at that time but in any event not less than twenty four (24) calendar months remaining pursuant to the OEM's MPD until the next scheduled Landing Gear Overhaul or removal.

And Schedule 3 Article 3 (a) shall be revised as follows:

The Aircraft shall have had accomplished all outstanding Airworthiness Directives (ADs) and Alert Service Bulletins (ASBs) affecting such model of Aircraft issued by the FAA and Aviation Authority, with no waivers or deviations regarding compliance with such ADs or ASBs, in order to clear the Aircraft for 12 months, 3,000 Flight Hours or 3,000 Flight Cycles (as applicable) of operation from the Termination Date.

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Where repetitive inspections are required under an AD or ASB, Lessee will ensure that at the Termination Date, the Aircraft is cleared for twelve (12) months, 3,000 Flight Hours or 3,000 Flight Cycles (as applicable) or if the repetitive inspection interval is for twelve (12) months, 3,000 Flight Hours or 3,000 Flight Cycles (as applicable) or less, then for 100% of such inspection interval.

And Schedule 9 Article 2 (2.1) shall be revised as follows:

AD Cost Sharing Threshold means USD [REDACTED]

And Schedule 3 Part B shall be revised to add the following statement:

If the Lessee uses a third-party aircraft records storage provider then the Lessor shall furnish a letter, with the storage providers agreement affording the Lessor access to the aircraft records.

And Schedule 9 Article 1.1 shall be revised as follows:

(a) Six Year Check Maintenance Redelivery Payments

Lessee shall pay to Lessor on the Redelivery Date, [REDACTED]
[REDACTED] for each Basic Rent Period of the Term since the later to occur of Delivery or the last Six Year Check performed by Lessee prior to the Redelivery Date.

(b) Twelve Year Check Maintenance Redelivery Payments

Lessee shall pay to Lessor on the Redelivery Date, [REDACTED]
[REDACTED] for each Basic Rent Period of the Term since the later to occur of Delivery or the last Twelve Year Check performed by Lessee prior to Redelivery.

And Schedule 9 Article 1.4 shall be revised as follows:

Redelivery Payments Landing Gear Utilization

Lessee shall pay to Lessor on the Redelivery Date US \$3,602 per Basic Rent Period of the Term.

And Schedule 9 Article 1.5 shall be revised as follows:

Lessee shall pay to Lessor on the Redelivery Date [REDACTED]
[REDACTED] per APU Hour since the later to occur of Delivery or performance of the last APU Performance Restoration performed by Lessee on the APU prior to Redelivery Date.

And Schedule 9 Article 1.6 shall be revised as follows:

1.6 Adjustment of Maintenance Redelivery Payments rates for Inflation

The Maintenance Redelivery Payment rates set forth in paragraphs 1.1, 1.4 and 1.5 above shall be increased for inflation by [REDACTED] per annum commencing on January 1, 2021, and annually thereafter.